## UNITED STATES DISTRICT COURT

#### SOUTHERN DISTRICT OF TEXAS

## HOUSTON DIVISION

ZRS7, LLC, . CASE NO. 4:23-CV-0491

PLAINTIFF,

V. HOUSTON, TEXAS

THURSDAY, APRIL 13, 2023

TAILWIND AIR, LLC, . 01:57 P.M. TO 03:18 P.M.

.

DEFENDANT.

## MOTION HEARING

## BEFORE THE HONORABLE PETER BRAY UNITED STATES MAGISTRATE JUDGE

APPEARANCES: SEE NEXT PAGE

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## MOTION HEARING

# BEFORE THE HONORABLE PETER BRAY UNITED STATES MAGISTRATE JUDGE

Appearances:

The PLAINTIFF: DANIEL J. KASPRZAK, ESQ.

MAX WAGNER, ESQ.

Johnson DeLuca Kurisky &

Gould, PC

1221 Lamar Street, Suite 1000

Houston, TX 77010

The DEFENDANT: BRANDON S. WINCHESTER, ESQ.

ADAM GRINER, ESQ.

Schiffer Odom Hicks Johnson PLLC

700 Louisiana, Suite 2650

Houston, TX 77002

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1
          Houston, Texas; Thursday, April 13, 2022; 01:57 p.m.
 2
              THE COURT: Welcome everyone.
 3
              We're here on -- first, please, be seated.
              We're here on ZRS7, LLC versus Tailwind Air. Who's
 4
 5
    here for the Plaintiff?
 6
              MR. WAGNER: Max Wagner for the Plaintiff, your
 7
    Honor.
              THE COURT: How do I spell your last name?
 8
 9
              MR. WAGNER: Wagner, W-a-g-n-e-r.
10
              THE COURT: Are you on the docket sheet in this case?
11
              MR. WAGNER: Yeah. I'm -- I'm second chairing.
12
    Kasprzak is on his way up right now.
13
              THE COURT: Do you want me to wait for him?
14
              MR. WAGNER: I would appreciate that.
15
              THE COURT: Oh, okay. I thought we were ready.
16
              MR. WAGNER: Sorry about that, your Honor.
17
              THE COURT: No, that's all right.
18
              But we'll -- we'll wait for him. Go ahead and
19
    announce your appearance then for the Defendant.
20
              MR. WINCHESTER: Sure, your Honor. Brandon
21
    Winchester for the Defendant and third-party Plaintiff,
22
    Tailwind Air, LLC.
2.3
         (Pause in the proceeding.)
24
              THE COURT: And what's your name, sir?
25
              MR. GRINER: Adam Griner.
```

```
1
              THE COURT: All right. Let's give Mr. Kasprzak a
 2
    second.
 3
              MR. WAGNER: Sure.
              THE COURT: Does he know which courtroom we're in?
 4
 5
              MR. WAGNER: I believe he does. Yes.
 6
         (Pause in the proceeding.)
 7
              THE COURT: I think we -- I can ask you this basic
 8
    question, though.
 9
              Cassels is the -- what is he? Not the Plaintiff, but
10
    what's his position?
11
              MR. WAGNER: He's the General Manager of ZRS7?
12
              THE COURT: Is he going to consent to me as well?
13
              MR. WAGNER: Yes, I believe he is.
14
              THE COURT: Cause if not, we have to quit right here.
15
    Cause I can't do this. If not everybody consents, then it has
16
    to go back to Judge Tipton.
17
              MR. WAGNER: Yes. Yes, he will.
18
              THE COURT: That's going to happen, Okay.
19
              MR. WAGNER: Yeah.
20
              THE COURT: Then we'll go forward on that basis. If
21
    something changes, you'll tell me.
22
              You want to go out in the hall and see if you can
23
    lead Mr. Kasprzak this way in case he's --
24
              MR. WAGNER: I'll go --
25
              THE COURT:
                          -- he's like not remembering which
```

```
3
 1
    courtroom we're in.
 2
              MR. WAGNER: I'll try to go find him, your Honor.
 3
              THE COURT: Thank you.
               (Court confers off the record.)
 4
 5
         (Recess taken from 1:59 p.m. to 2:17 p.m.)
              MR. KASPRZAK: Beg the Court's indulgence. I thought
 6
 7
    the hearing was at 2:30.
 8
         (Pause in the proceeding.)
 9
         (Voices speaking off the record.)
10
              THE COURT: Be seated.
11
         (Pause in the proceeding.)
12
              THE COURT: All right. Let's just start over.
                                                              Let's
13
    start over with appearances.
14
              This is ZRS7, LLC versus Tailwind Air and recently
15
    added but not answered is Troy Cassels. Who's here for
    Plaintiff?
16
17
              MR. KASPRZAK: Your Honor, for Plaintiff of ZRS7, LLC
18
    Dan Kasprzak and Max, what's your last name?
19
              MR. WAGNER: Wagner.
20
              MR. KASPRZAK: Max Wagner with from Johnson DeLuca
21
    Kurisky & Gould.
22
              THE COURT: Thank you.
23
              And for the Defendant?
24
              MR. WINCHESTER: Yes, your Honor. Brandon
25
    Winchester, Adam Griner from Shiffer Hicks Johnson for the
```

```
1
    Defendant, Tailwind Air, LLC.
 2
              THE COURT:
                          Thank you.
 3
              And my understanding from Mr. Wagner before you came
    in, Mr. Kasprzak, is that when he does get into the case,
 4
 5
    Mr. Cassels intends to consent to me. Is that correct?
 6
              MR. KASPRZAK: That will be a yes. That's --
 7
              THE COURT: To my jurisdiction?
              MR. KASPRZAK: He's -- he's authorized me to accept
 9
    service. But we haven't even met with him individually to work
10
    out -- that'll be yeah. We -- we will not have a problem with
11
    him consenting to --
12
              THE COURT: All right.
13
              MR. KASPRZAK: -- to you serving.
14
              THE COURT: So that's fine. And everybody can be
15
    seated if you want. That's fine. Just pull the microphone
16
    closer.
17
              We have a number of students from South Texas College
18
    of Law here today who are trying to observe a hearing, and
19
    understand it, and write a paper. And if you all don't help me
20
    out, I've read everything.
21
              But can you just give me a brief rundown,
22
    Mr. Kasprzak, of the case for them so they can write a paper?
23
              MR. KASPRZAK: Yeah.
                                    That -- that was -- well this
24
    case is convoluted enough that that was my intention in the
25
    first place to the hearing.
```

```
1
              And I applaud opposing counsel in finding the -- the
 2
    one case he did. I went back to see what was --
 3
              THE COURT: I found another one, too, you know.
              MR. KASPRZAK: Another -- another --
 4
 5
              THE COURT: There were two.
 6
              MR. KASPRZAK: Two cases under -- yes.
 7
              THE COURT: Maybe you all cited them. I don't know.
              But there's two cases that say, so a -- for you guys,
    the bay -- what we're -- what's going on here is there's an
10
    airplane that's in a hangar in New York, right? And I'll -- so
11
    if I get this wrong, you tell me.
12
              The airplane belongs to the Plaintiff, right?
13
    They -- it fully belongs to them, correct?
14
              MR. WINCHESTER: Yeah. Yeah. But we have some
15
    technical things --
16
              THE COURT: Okay.
17
              MR. WINCHESTER: -- we'll bring up, but yes.
18
              THE COURT:
                          That's fine.
19
              MR. WINCHESTER: Yeah.
20
              THE COURT: It belongs to the Plaintiff. And the
21
    Plaintiff was leasing it to the Defendant, so that the
22
    Defendant could, you know, what -- what's the word for --
2.3
              MR. WINCHESTER: Charter.
24
              THE COURT: -- charter it, thank you. Charter it out
25
    and make money.
                     And the Plaintiff, that was one contract.
                                                                 And
```

```
1
    It'd only be issued if, among other things, I find that there's
 2
    a eminent risk of injury that can't be satisfied by damages
 3
    claim.
              I think more what this is really is a request for a
 4
 5
    preliminary injunction, which would last throughout the suit.
    I know that you've styled it as a TRO. But, I mean, 14 days
 6
 7
    has kind of come and -- and gone.
              Whatever it is, it's either under 65(a) or 65(b).
 9
    What is it that you want me put into an order from the
    Plaintiff's side?
10
11
              MR. KASPRZAK: Well what we're seeking, Judge, is
12
    a -- a -- we're -- we're not seeking the mandatory restraining
13
    order of having them deliver the plane to this jurisdiction.
14
              THE COURT: Well that's good. Because I'm not going
15
    to order that.
16
              MR. KASPRZAK: Right.
17
              THE COURT: Because I can't.
18
                             What -- what -- what we're seeking is
              MR. KASPRZAK:
19
    non-mandatory relief of them not interfering with the owner
20
    when we send our pilot and our mechanic to New York to take
21
    possession of the aircraft.
22
              It should have been delivered to us on January 9th,
    but it wasn't. And now we have the issue of what do we do?
23
24
    They are using the fact that it needs new tires and is not
25
    quote/unquote "airworthy" as a --
```

```
1
              THE COURT: Well the -- I mean, let's not -- let's
 2
    not characterize how they're using it. Just that's --
 3
              MR. KASPRZAK: Yes.
 4
              THE COURT:
                          That's their position.
 5
              MR. KASPRZAK:
                             That's the reason --
              THE COURT: It is what it is.
 6
 7
              MR. KASPRZAK: That's the reason why they can't fly
 8
    it up here or give it to us if we go down there to get it.
 9
              THE COURT: Okay. So, with the clarification, cause
10
    there's some -- probably some not meeting of the minds is a
11
    bad word in a contract case.
                                  But --
12
              MR. KASPRZAK: Yes.
13
              THE COURT: But there's a little talking passed each
14
    on what they were looking for.
15
              There's no way that I'm going to enter an order right
16
    now that says you have to fix the plane, inspect it, get a
17
    pilot and send it up. I don't -- I'm not going to do that.
18
              MR. KASPRZAK:
                             Sure.
19
              THE COURT: And I don't think that they've satisfied
    any burden for me to order that, nor does it appear that
20
21
    they're asking for that.
22
              But it being their plane, and if the -- this being a
23
    fight over who owes how much to whom, sort of literally it's
24
    just -- we're going to do an accounting inside this case at
25
    some point.
                We're going to --
```

```
10
 1
              MR. KASPRZAK: Sure.
 2
              THE COURT: Right?
 3
              MR. KASPRZAK: Right.
                          What would be your objection to simply
 4
              THE COURT:
 5
    standing down? Take your plane, and immediately insure it and
 6
    take responsibility for it, by the way?
 7
              MR. WINCHESTER: Sure. That's a -- that's a good
    question, your Honor.
 8
 9
              And -- and I guess my first point would be, you asked
10
    at the beginning of the hearing, okay it's their plane, right?
11
    And I said yes. But there's some technicalities to that.
12
              And the -- the technicalities to that are, there is
13
    hundreds of thousands of parts on that plane that Tailwind has
14
    paid for that they have not remunerated us for. So, that is a
15
    practical issue that we would have to deal with.
16
              So -- and why I bring that up, is it -- should you
17
    order, okay. They can send a pilot out. They can send a
18
                   That guy could come out and do whatever he needs
    mechanic out.
19
    to do. Are we going to be afforded the opportunity to strip
20
    all of our parts off of it? The stuff that they haven't paid
21
    for?
22
              THE COURT: But -- see, here's the thing.
23
              That -- that is what you're saying. But you don't
24
    have and I -- I don't mean to get ahead of my skis here. But
25
    you agreed to do certain work on their plane. You did the
```

```
11
 1
    work.
              MR. WINCHESTER: Uh-huh.
              THE COURT: It's not paid for in your view.
 3
              MR. WINCHESTER: Right.
 4
 5
              THE COURT: Okay. Fine.
              But I don't have any understanding that there's been
 6
 7
    any kind of lien filed, like a mechanics lien. I don't know
 8
    what's available in New York --
 9
              MR. WINCHESTER: Right.
              THE COURT: -- like it would be here.
10
11
              I don't understand that you have any other kind of
12
           I don't understand that you filed anything inside this
13
    case to establish that you've got a possessory interest in the
14
    plane.
15
              It just so happens that it's in your shop or your
16
    hangar, I mean.
17
              MR. WINCHESTER: Correct.
18
              THE COURT:
                          Right?
19
              And so, two -- either one of two things has got to
20
    happen here. And I was trying to see if I could provoke a
21
    solution.
22
              This is ultimately a damages case. And I get it that
23
    your client is, in your view, losing money every day. But that
24
    happens all the time.
25
              MR. KASPRZAK:
                              Certainly.
```

plane. You have an accounting of the parts that you've put in there that aren't paid for yet. They can -- they can charter the plane out and get back to making money instead of having it tick on what they believe is their damages claim.

MR. WINCHESTER: Uh-huh.

THE COURT: Why can't that just happen? Why can't we just do that?

MR. WINCHESTER: I -- I mean, your Honor, practically speaking. Again, our parts there, everything like that, there's also a host of regulatory concerns that our client's concerned about.

The plane is currently on their air carrier certificate with the FAA. And there's a whole slew of regulations that I started reading through about, you know, our client has to maintain records, maintenance, so that there's an end-to-end system or, I guess, trail of -- of maintenance and repairs with no gap in it.

And if they were to come out and take the plane, that would cause issues because the FAA at any time can come out to our client and ask to see all their records. And if they're going to take the aircraft documents, which is part of what they're asking you to order them to be able to grab, that's going to have some of those records there.

And that could potentially have long-term ramifications for our client when it comes to the FAA and

```
14
 1
    they're business-wide.
 2
              THE COURT: Right.
 3
              MR. KASPRZAK: Your Honor, may I?
              THE COURT:
                          Yeah.
 4
                                  Yeah.
 5
              MR. KASPRZAK:
                              The aircraft documents are also
    property of the Plaintiff. And the one thing that's very, very
 6
 7
    clear in the lease agreement is upon termination, they are to
 8
    surrender the aircraft and the aircraft documents to the
 9
    Plaintiff.
10
              THE COURT: All right. So you --
11
                             The fact that --
              MR. KASPRZAK:
12
              THE COURT: I got you.
13
              MR. KASPRZAK: -- six months from now the FAA might
14
    want to see a copy of the receipt for the fuel senders unit
15
    that was installed in December, 2021. That -- that's what copy
16
    machines are for, I quess.
17
              THE COURT: But let me just interrupt.
18
              Because -- because here's -- here's the thing.
19
    When -- when you look at the -- the elements for what I -- I'm
20
    considering this to be a preliminary injunction really.
21
              Right now, keeping the plane in their possession does
22
    nothing more than tick your damages model up, right?
2.3
              MR. KASPRZAK: Correct.
24
              THE COURT: And what I think you all need to do.
25
    because you're -- you're both telling me from both sides a
```

```
15
 1
    whole lot of things that are not really fleshed out at this
    point, right?
 2
 3
              I mean FAA regulations that aren't -- that aren't
    described to me anywhere. You know, a number of parts that are
 4
 5
    in the plane over which you think you might have some sort of
    possessory interest or a lien, but there's no lien that's been
 6
 7
    perfected at this point.
              I don't even know what rule of law would allow that,
 8
 9
    it's probably in New York something similar to, you know, what
10
    we have here when, you know, you don't pay your mechanic, or --
11
    or the guy who fixes your air conditioner and those things. I
12
    just don't know what's up there.
13
              And so, we've got a lot of unknowns. Would you have
14
    any objection, then, from me right now ordering that you all
    simply maintain the plane in its hangar in its current state
15
16
    without, you know, keep it insured as you are.
17
              Cause you keep telling me in your -- in your
18
    papers --
19
              MR. WINCHESTER: Right.
20
              THE COURT: -- nothing's going to happen to the
21
    plane.
            It's fine.
22
              MR. WINCHESTER: Right.
23
         (Pause in the proceeding.)
24
              THE COURT: The status quo then is that the plane is
25
    in your hangar.
                     Leave it there.
                                       But you're -- what if I
```

```
16
 1
    ordered you to maintain that status quo. Meaning, don't take
 2
    it apart.
 3
              MR. WINCHESTER: Right.
 4
              THE COURT:
                          Don't injure it. Don't hurt it. Cover
 5
    it from the elements.
 6
              MR. WINCHESTER: Right.
 7
              THE COURT:
                          Right?
              And then, why don't we do some discovery on a -- I
 9
    mean, what we can do is just combine a preliminary injunction
10
    hearing with -- with a trial and just be done with it. It's
11
    not that complicated, is it?
12
              MR. WINCHESTER: Right.
13
              THE COURT: It's not. I mean --
14
              MR. WINCHESTER: No, your Honor. No, it's not.
15
              I think it at bottom, this is just a payment dispute.
16
    And you said it initially, it's -- this is a damages case.
17
              THE COURT: And the faster we get it done, the sooner
    you all can have your plane back.
18
19
              Whether they pay you something or you pay them
20
    something, you know, were going to -- we're going to work that
21
    out.
22
              MR. KASPRZAK:
                             That's it.
23
              THE COURT: But I'm afraid to enter an order that
24
    somehow starts violating FAA rules. And I don't have that
25
    briefed is my point.
```

- MR. KASPRZAK: The Plaintiff has the same obligation, where they take the plane back from Tailwind is they had before they gave the plane to Tailwind.
- 4 THE COURT: No. No. I hear you.

1

2

3

16

17

18

19

20

21

22

23

24

25

- 5 MR. KASPRZAK: We were operating it in compliance 6 with FAA.
- 7 THE COURT: This is all argument, though.
- MR. KASPRZAK: The pilot we're sending to pick it up

  9 is the person who was making sure we were in compliance with

  10 FAA rules before we signed the lease with Tailwind.
- 11 THE COURT: I hear you, but you're -- this is a lot
  12 of argument about things that aren't briefed, that aren't ripe
  13 for me to decide.
- MR. KASPRZAK: All of the financial issues are between Tailwind and Troy Cassel.
  - The lease provisions are very clear. It is very clean. And under the lease, and for the rights of ZRS7, I thought we should have just filed a -- a Motion for Summary Judgment. Because I -- there's not an issue that can be raised that keeps -- that will establish that Tailwinds not the unencumbered owner of that plane and is entitled to possession.
  - And I don't know of anywhere in this world where you have this much difficulty obtaining your property after you've leased it to a third-party for a term of years, or a term of months, and the lease terminates.

```
18
 1
              Whether --
 2
                          I mean, I might actually --
              THE COURT:
 3
              MR. KASPRZAK: -- this way or not.
 4
              THE COURT:
                          I might -- I might tend to agree with you
 5
    on -- on that point. Okay?
 6
              I don't -- but what I'm saying is, the current
 7
    situation is simply costing you money. And I need for
 8
    Mr. Castles to get into --
 9
              MR. KASPRZAK: Cassels.
10
              THE COURT: -- this case.
11
              MR. KASPRZAK:
                             Yes.
12
              THE COURT: Cassel?
                                   Sorry.
13
              MR. KASPRZAK: Well, and --
14
              THE COURT: Cassels.
15
              MR. KASPRZAK: -- you know, let me -- let me expound.
16
              THE COURT: And what I was going to say, though, he
17
    needs to answer and be part of this case.
18
              We need to probably have a couple depositions.
19
    some exchange of documents. Request for production and
20
    interrogatories on an expedited bases and set this for a
21
    preliminary injunction hearing where I have witnesses take the
22
    stand and tell me the things that -- that they know. And then
23
    I can make an enlightened decision.
24
              It's -- because in terms of a TRO, which is what's
25
    before me right now, this -- this is not -- the elements aren't
```

1 met is what I'm saying.

I'm not saying you might not in a couple months make the elements of a preliminary injunction. But we need evidence and discovery to do that is what I'm saying.

Do you vociferously object to that honestly?

MR. KASPRZAK: I -- I do, your Honor.

Because the way the contract is -- is composed, the way it was fashioned, the way it's supposed to work, is when you look at the services agreement between Mr. Cassels and Tailwind, it gives Mr. Cassels the right to dispute charges that he receives from Tailwind.

And instead of filing a lawsuit in late -- in -- in November of 2022, when he first contacted me and said I've got a situation here I don't know what to do. I'm leasing my plane to this company that told me I would make money chartering it once it got up-to-speed.

We're now up-to-speed. And every month I get an invoice that shows they're flying the plane more than they did the previous month, but I'm losing more money the more they fly it. And I -- they're digging me a hole that I can't get out of.

I read the agreement. My first advice to him was, have you considered the termination clause? Cause there's a clause in there that says that -- that the term of the services agreement expires when the -- Tailwind no longer has a

are required to give us access to all of the documents, which by the way, should have been delivered to us on January 9<sup>th</sup> with the aircraft, and then we conduct an audit.

And then -- and then there's the final provision, some -- some genius drafted this, and it wasn't me. I never saw this agreement until -- until after it was all said and done.

But some genius in New York put this provision in the services agreement that says, none of these disputed charges can be asserted against Mr. Cassels until the audit is resolved. And it's Mr. Cassels' intention, as I stated in my initial demand letter to Tailwind, to -- that, you know, you're in breach of the -- the lease agreement, so give us our plane. And on the other front, we want to move forward with the audit.

And we want to resolve the audit. And we sent requests for -- for pertinent financial documents to the attorneys for Tailwind. And we haven't received any documents yet. But that audit, the whole contract is designed, so that audit will resolve these things.

They have automatically assumed that Troy Cassels just isn't going to pay them anything if the audit says he owes us money. I suspect it will probably say he owes them something when the audit's done, between 0 and \$441,000. But that's one huge range.

And -- and he has assured me that what that comes out

22 1 at he will pay, and this matter will be resolved. There 2 doesn't need to be any long, drawn out lawsuit for over how much is owed under the invoice. Because the genius of the way 3 4 this is drafted, as you know from prior experience, is those 5 lawsuits and the depositions over the charges in those lawsuits 6 take hours and days. 7 Because you have to ask every person about the 17 8 invoices for parts that were applied to replace in October of 9 Okay. Now let's talk about the 23 parts that were --10 THE COURT: Can I just interrupt --11 MR. KASPRZAK: -- replaced in October, 2022. 12 THE COURT: -- please? May I just? 13 MR. KASPRZAK: Yes. 14 THE COURT: Just let -- let me -- let me just bring 15 us back to where we are. 16 We are at the infancy of the case. We've not even 17 had a joint discovery and case management plan. We've not even

had a scheduling conference. You're asking for a TRO.

18

19

20

21

22

23

24

25

The TRO is denied because, even based on what you're telling me, it's all about the money for right now. And if the plane disappears off the face of this earth, they can pay you for it. And damages are accruing.

It's too early in the case to do this. And so what I'm going to do is allow you some expedited discovery. We'll set a preliminary injunction hearing at which you can present

```
1
    relevant witnesses. We'll do it fast. We'll make a decision.
 2
              Or you all can just like do the math, and get the
    plane back, and be done with this whole thing, by the way. As
 3
    far as I'm concerned, I'm just -- I mean -- but this is -- this
 4
 5
    is not appropriate for the place in the case that we are.
              And that's not me telling you -- I'm not even going
 6
    to the success on the merits. I'm not even -- I'm not even
 7
    there. I'm just telling you that in terms -- you are asking
 8
    for a temporary restraining order. And what -- but what I am
10
    going to do, and I think there's no objection, is enter an
11
    order that says you will maintain the plane such that its value
    is not diminished.
12
13
              Any objection to that?
14
              MR. WINCHESTER: No. Not -- not a -- exactly, no,
15
    your Honor.
16
              The -- the only clarification we would ask from you
17
    is what does maintain mean? Does that mean continue to repair
18
    and provide constant maintenance, or does it mean --
19
              THE COURT: We're going to -- this is, you know,
20
    it -- it means, and I'm going to ask you all to prepare a
21
    proposed order for me.
22
              MR. WINCHESTER: Okay.
23
              THE COURT: Okay?
         (Pause in the proceeding.)
24
25
              THE COURT:
                           That has -- I don't want the plane
```

```
24
 1
    sitting out in the sun -- where is it now? It's inside of a
 2
    hangar?
              MR. WINCHESTER: That's my understanding, yes, your
 3
 4
    Honor.
 5
              THE COURT: Is it covered with -- with a cloth of
    some kind and?
 6
 7
              MR. WINCHESTER: I -- I don't want to say either way.
 8
    I don't know, but I --
 9
              THE COURT: I mean, is it --
              MR. WINCHESTER: I can find out.
10
11
              THE COURT:
                         I -- I, you know, there's airplane
12
    hangars and then there's airplane hangars.
13
              MR. WINCHESTER: Right.
14
              THE COURT: If they shoved it in the back and
15
    they're, you know, using it, you know, to lean pieces of
16
    equipment on --
17
              MR. WINCHESTER: Right.
18
              THE COURT: -- that would be unacceptable.
19
              Well that needs to be maintained in a -- in a
20
    standard way that inside of this industry people would
21
    understand that you need to maintain the plane. I think that
22
    you can get with your -- your clients and find out some
23
    language.
24
              I don't want your plane getting destroyed. And I
25
    want -- I want to vette the arguments that you're making.
```

```
29
 1
              MR. WINCHESTER: Okay.
 2
              THE COURT:
                           Talk to me.
                                       Talk to each other.
              MR. WINCHESTER: Sure.
 3
                            Figure it out. Tell me what you want to
 4
              THE
                   COURT:
 5
         I'll make time in my schedule to do it.
              I'm not trying to delay things --
 6
 7
              MR. KASPRZAK: No.
 8
              THE COURT: -- unnecessarily.
 9
              But what -- what you want is a preliminary injunction
10
    hearing. And I'm going to give it to you. So we just need
11
    to -- we just need to get there.
12
              I don't know what documents need to be exchanged. I
13
    don't know who needs to be deposed. I don't know what
14
    information needs to be in front of me.
15
              MR. KASPRZAK: The -- the --
16
              THE COURT: And I don't also know why I think
17
    you're -- you're giving me, Mr. Winchester, some new things
18
    that I wasn't aware of here.
19
              MR. WINCHESTER: Uh-huh.
20
              THE COURT: Right?
21
              I'm certainly not trying to enter an order that would
22
    violate, you know, the FAA and would spark an interlocutory
23
    appeal of some kind. And before we know, we got the 12th floor
24
    involved.
25
              MR. WINCHESTER:
                                Right.
```

```
30
 1
              THE COURT: I mean, that's not what we're here for.
 2
              And you know you do that, and talk about delay.
 3
              MR. WINCHESTER:
                              Right.
                          Right? You want a delay? Go up five
 4
              THE COURT:
 5
    floors. Because they're going to get to it when they're going
    to get to it. And that, you know, so, can you all talk and
 6
 7
    I'll -- how long you think you need maybe?
              MR. WINCHESTER: Ten minutes.
 8
 9
              THE COURT: Will you talk for ten minutes?
10
              MR. KASPRZAK: You -- you probably -- we've been
11
    talking for months, I mean --
12
              THE COURT: No. No. About the very specific --
13
              MR. KASPRZAK: Yes.
14
              THE COURT: -- thing that I'm talking about.
15
              MR. KASPRZAK: Right.
16
              THE COURT: The schedule.
17
              I'm being very specific.
18
              MR. KASPRZAK:
                             Sure.
19
              THE COURT: When can you be ready for a preliminary
20
    injunction hearing?
21
              MR. WINCHESTER: Right.
22
              THE COURT: When. What do you need to do before it.
23
    And I am going to enter -- I am going to order that whatever
24
    happens between now and the preliminary injunction hearing that
25
    the plane be maintained in -- if status quo means they're, you
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```
32
 1
              MR. WINCHESTER: Sure.
 2
              THE COURT:
                           Thanks.
 3
              MR. KASPRZAK: Thank you, Judge.
          (Recess taken from 2:52 p.m. to 3:03 p.m.)
 4
 5
              THE COURT: You guys ready?
 6
              MR. KASPRZAK: I think we are, Judge.
 7
              MR. WINCHESTER: I think we are, your Honor.
              THE COURT: Okay. Be seated.
 8
 9
              MR. WINCHESTER: Sure.
10
              MR. KASPARZAK: Can we sit at the table across from
11
    each other?
12
              THE COURT: Sure. Whatever you think is appropriate.
13
              Okay. What did we -- what did we come up with?
14
              MR. WINCHESTER: Your Honor, I think -- I think the
15
    path forward is, you know, they'll answer on behalf of
    Mr. Cassels within a week from tomorrow. So that'll be the --
16
17
    April 21st, next Friday.
18
              And then I think we need 60 days to conduct
19
    discovery, depositions, request production, and so on. So that
20
    would put us in a preliminary injunction hearing, you know, at
21
    some point during the week of June 19th.
22
              THE COURT: Look at that week, Jason.
23
         (Pause in the proceeding.)
24
              CASE MANAGER MARCHAND: June 11th, Judge.
25
              THE COURT:
                           June 11^{th}, that week.
```

```
33
 1
              MR. WINCHESTER: Okay. The next week on there?
 2
              THE COURT: What are we doing the next week?
 3
              CASE MANAGER MARCHAND: The next week's open.
              THE COURT: So what day of the week works best for
 4
 5
    you all that -- so it's the week of what?
              CASE MANAGER MARCHAND: June 26th?
 6
 7
              THE COURT: I mean, I prefer not to do it on Monday,
    so that you -- if you --
 8
 9
              MR. WINCHESTER: Sure.
10
              MR. KASPRZAK: So -- so would we. So would we.
11
              THE COURT: -- want to file some --
12
              MR. KASPRZAK: So would we.
13
              THE COURT: Yeah. I mean, just like Tuesday?
14
              MR. KASPRZAK: Tuesday -- Tuesdays would probably be
15
    optimal.
16
              THE COURT: Tuesday at ten? Couple of hours at most,
17
    right?
18
              MR. WINCHESTER: Sure.
19
              THE COURT: I mean, we're not doing the whole trial.
20
              MR. WINCHESTER: Right.
21
              THE COURT: This is all limited to why can't they
22
    have their plane back.
23
              MR. WINCHESTER: Right.
24
              THE COURT:
                          Right?
25
              MR. WINCHESTER: Absolutely.
```

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34
 1
              THE COURT: Okay. So --
 2
              MR. KASPRZAK: Yeah, I mean, we're talking about the
    technical FAA kind of regulatory --
 3
              THE COURT: That's --
 4
 5
              MR. KASPRZAK: -- issues.
              THE COURT: That's --
 6
 7
              MR. KASPRZAK: Cause we -- nobody's fleshed out yet.
              THE COURT: And -- and I want to make a comment that
 9
    this was resonating in my head. So say -- say it again. It's
    June 27 --
10
11
              CASE MANAGER MARCHAND: Ten a.m.
12
              THE COURT: -- at 10?
13
         (Pause in the proceeding.)
14
              THE COURT: What -- all right. Continue then?
              MR. WINCHESTER: Oh, and then the last kind of piece
15
16
    of -- of the path forward is, we would request that you order
17
    us to mediate before that date, the June 27th date.
18
              THE COURT: You want to mediate?
19
         (Pause in the proceeding.)
              MR. KASPRZAK: Personally, I think it might be
20
21
    beneficial.
22
              My client, when I suggested it, that's the second
    time he threatened to fire me.
23
24
              THE COURT: Well --
25
              MR. KASPRZAK:
                             And -- only -- only because -- not
```

```
36
1
    thing.
 2
              MR. KASPRZAK: And -- and I agree.
              THE COURT: You tell me --
 3
 4
              MR. KASPRZAK: This -- this is a very unique
 5
    situation.
              That would be very beneficial, I think. I wouldn't
 6
 7
    object to it either way. I probably shouldn't have --
 8
              THE COURT: Check -- talk to your --
 9
              MR. KASPRZAK: -- told you what my client's --
10
              THE COURT: It's okay. I'm -- I'm ignoring that.
11
              MR. KASPRZAK: -- previous position is. Thank you.
12
              THE COURT: Talk to your client. And if -- if you --
13
    if you want me to inquire about whether one of my magistrate
14
    judge colleagues will mediate this early, I will inquire.
15
              MR. WINCHESTER: Okay.
16
              THE COURT: That's the best I can do.
17
              And they don't -- I mean, I have no authority to
18
    tell --
19
              MR. WINCHESTER: Sure.
20
              THE COURT: -- anybody --
21
              MR. KASPRZAK:
                            Right.
22
              THE COURT: -- on my same Article I level what to do
23
    or when to do it. And so, I can find that out.
24
              But that's -- that's separate. You'll -- you'll tell
25
    me.
```

```
38
 1
    refute that.
 2
              THE COURT: I -- I bet Mr. Cassels --
              MR. KASPRZAK: We'll do whatever we can within the
 3
 4
    timeframe.
 5
              THE COURT: A bet Mr. Cassels can do that for you,
 6
    but --
 7
              MR. KASPRZAK: Yes.
 8
              THE COURT: Do you have a person?
 9
              MR. WINCHESTER: That -- that we would offer up to be
    deposed? I -- I can't tell you exactly who it is. I imagine
10
11
    it's either Alan (phonetic) Rahm (phonetic), who's the
    President. And then there's another individual that I -- I
12
13
    can't remember his name off the top of my head. He's like
14
    Director of Flight Operations and Maintenance.
15
              So it'd be one of those two guys.
16
              THE COURT: And -- okay. That being said.
17
              What -- what sort of documents need to exchange to
18
    get us there?
19
              MR. WINCHESTER: I -- I don't -- I couldn't tell you
20
    right now.
              THE COURT: Cause here's what I don't want to have
21
22
    happen.
2.3
              MR. WINCHESTER: Uh-huh.
24
              THE COURT: Is to have you all doing requests for
25
    production, and then objections, and all of that.
```

```
40
1
    and fix the plane and take it back.
 2
              MR. KASPRZAK: And if not, what needs to be done.
              THE COURT: Yeah.
 3
 4
              MR. KASPRZAK: Because these type of relationships
 5
    have got to transition every day. Well, not every day.
    Because once we -- I got into this, I realize that this is not
 6
 7
    a very common thing.
 8
                         But okay. I mean --
              THE COURT:
 9
              MR. KASPRZAK: But -- but --
10
              THE COURT: -- whatever it is. And it --
11
              MR. KASPRZAK: But leases like this begin and end.
12
    And planes go from one party to another. So there must be
13
    something that -- that people recognize is to be done here.
14
    And I -- I think --
15
              THE COURT: Which is part --
16
              MR. KASPRZAK: I think the discovery gets defined by
17
    the universe of documents identified by his witness.
18
              THE COURT: Okay. So here -- here's -- here's
19
    what -- here's what we'll do then.
              Your preliminary injunction hearing is set June 27^{\rm th}
20
21
            Okay. And it will be live right here in this
22
    courtroom. Mr. Cassels will answer by the end of next week.
23
    Right?
24
              MR. KASPRZAK: Yes.
25
              THE COURT:
                           That's what you said.
```

```
41
 1
              MR. KASPRZAK: We're -- we're doing that like we
 2
    said.
              THE COURT: Okay. And it's your understanding that
 3
    he will stay with the jurisdiction of me?
 4
 5
              MR. KASPRZAK: Yes.
 6
              THE COURT: Okay.
 7
              MR. KASPRZAK: Yes. We will add it to the consent.
 8
              THE COURT: All right. Then by close of business
 9
    tomorrow, I need for you all to submit an agreed proposed order
10
    that maintains, you know, the physical and commercial integrity
11
    of that plane, without making them continue to do upgraded
12
    maintenance.
13
              MR. KASPRZAK: Yeah. Yeah.
14
              THE COURT: We're not upgrading it. We're not
15
    painting it. You know, this -- its current status needs to
16
    be --
17
              MR. KASPRZAK: Protected from the elements.
18
              THE COURT: That's it. Protected from the elements,
19
    and from forklifts, and from all of the things that go inside
20
    of airplane hangars.
21
              MR. KASPRZAK: May -- I -- I should have proposed
22
    this while we were talking, Judge. But I don't want to wait
2.3
    until afterwards now. So pardon me if I'm out of order.
24
              But may we go up and -- and have somebody look at our
25
    plane? I don't even know if you would object to that, cause I
```

```
42
1
    haven't asked you for it.
 2
              MR. WINCHESTER: No. And -- and that was one of the
 3
    points I would have made in my --
              THE COURT:
                          Fine.
 4
 5
              MR. WINCHESTER: -- longer is in the leases. It's
 6
    allowed that they can come in and look at it.
 7
              THE COURT: Okay.
              MR. KASPRZAK: Yeah.
 8
 9
              THE COURT: So, in -- in this order that you'll
10
    submit to me tomorrow, is -- is tomorrow enough time? You can
11
    do it close of business Monday.
12
              MR. WINCHESTER: Okay.
13
              MR. KASPRZAK: Yeah.
14
              THE COURT: Yeah. Close of business Monday.
15
              Give me an order that maintains the, you know,
16
    integrity of the plane and permits an inspection upon some kind
17
    of notice. And I'm sure the contract says given, you know,
18
    notice we can come in. And it's not three in the morning,
19
    right?
20
              MR. WINCHESTER: Right.
21
              THE COURT:
                          In -- in compliance with the contract.
22
              MR. KASPRZAK: I -- I think it says during regular
2.3
    business hours.
24
              THE COURT: Something like that, okay.
25
              But just let him know where you're coming.
```

```
43
 1
              MR. KASPRZAK: Sure.
 2
              THE COURT: So that's by Monday.
              By Friday of next week --
 3
              MR. WINCHESTER: Uh-huh.
 4
 5
               THE COURT: -- I want you to give me a proposed order
 6
    of the discovery that you not intend to conduct, but that you
 7
    will exchange. I don't want to -- you're going to
 8
    categorically --
 9
              MR. KASPRZAK: Sure.
10
               THE COURT: -- say, we will hand over these ten types
    of documents, or whatever it is, from both sides.
11
12
              So nobody -- and I will sign it and say that's
13
    ordered. And the deposition of this or that person will be
14
    conducted, you know, and if you have a schedule for the dates,
    then tell me. If not, it'll be on or before such and such a
15
16
    date.
17
              MR. WINCHESTER: Right.
18
              THE COURT:
                          Okay?
19
              And then you need to -- we said the 27^{th} was a
20
    Tuesday, right?
21
              MR. KASPRZAK: Yes, sir.
22
              THE COURT: So, oh I actually have a calendar here,
23
    so --
24
          (Pause in the proceeding.)
25
               THE COURT:
                           Since it's your motion, Mr. Kasprzak, you
```

```
44
 1
    need to file a brief on the issue of here's why I get my plane
 2
    back, based on what you've learned --
 3
              MR. KASPRZAK: Certainly.
              THE COURT: -- by June 9<sup>th</sup>. Okay?
 4
 5
              And then you need to respond by June 16th. And if
    you want to reply, you can do that by June 23rd.
 6
 7
              MR. WINCHESTER: Yes.
               THE COURT: Cause that way I can have that weekend
 9
    and Monday to read things.
              MR. WINCHESTER: You said the 16th for us, right,
10
11
    your Honor?
               THE COURT: Yep. So 9, 16, 23, 7 days, 7 days, 7
12
13
    days.
14
              And it really does need to be limited to this issue.
15
    And cite me some cases. Cause I actually tried to find some
16
    cases that were along these lines.
17
              Most of the cases that I'm finding that allow
18
    possession of some piece of chatteled property be taken pre-
19
    judgment, it's in a case where there's a dispute about who owns
20
    it.
21
              MR. WINCHESTER: Right.
22
              THE COURT: Right?
23
              And I get it that you have made improvements on this
24
    thing. But I think that if I'm just quessing, that like when
25
    you -- when you make an -- when you fix something, you know,
```

```
45
 1
    absent something like a state law mechanics lien --
 2
              MR. WINCHESTER: Uh-huh.
              THE COURT: -- you know, title to that thing sort of
 3
 4
    passes. Might be like a, you know, and then all that's left is
 5
    a breach of contract question. Right?
              But in -- in Texas, I think you bring your car to the
 6
    mechanic, and they put in a new engine, you don't just get to
 7
 8
    go and take the car and not pay.
 9
              MR. WINCHESTER: Right.
10
              THE COURT: They have -- they have recourse. And --
11
              That requires them to file something.
12
              MR. KASPRZAK: It -- it requires statutory
13
    language to be included in the estimate for services.
14
              THE COURT: Fair enough. And so --
15
              MR. KASPRZAK: And intended is a contract --
16
              THE COURT: We got to know what --
17
              MR. KASPRZAK: -- between the parties that says we've
18
    got lien rights. And if you don't pay, you don't get your --
19
    you don't get your property back.
20
              THE COURT: I hear you.
21
              So you've got to dot the "I's" and cross the "T's"
22
    for that to happen. If that's not happened, then, you know,
23
    this becomes easy. And perhaps, we don't need this hearing.
24
              MR. WINCHESTER: Right. Gotcha.
25
              THE COURT:
                          All right. And if you want to mediate,
```

```
46
1
    let me know by the end of next week.
 2
              MR. KASPRZAK: We'll -- we'll let you know.
 3
              I'm -- I'm going to press that, and encourage it to
 4
    be done. And if we could get one of the other magistrates
    to -- to do that as a -- I'm sure -- I'm sure they owe you a
 5
 6
    favor, Judge.
 7
              THE COURT: Just -- just make sure that --
              MR. KASPRZAK: It'd be wonderful.
 8
 9
              THE COURT: -- if you're in front of the one down the
10
    hall you say Magistrate Judge, because she'll chop your head
11
    off --
12
              MR. KASPRZAK: Okay.
13
              THE COURT: -- if you don't put the Judge after that.
14
    Cause that's her title.
15
              It's -- and she would remind you that -- and I'll
16
    help the -- the law students. We lost half of them.
              MR. WINCHESTER: That is --
17
18
              MR. KASPRZAK: Yeah.
19
              THE COURT: Sorry. That's -- we -- we're doing
20
    business here.
21
         (Pause in the proceeding.)
22
              THE COURT: It -- it is in the federal system
23
    no more appropriate to call a magistrate a magistrate than it
24
    would be to call a magistrate judge a magistrate than it would
25
    be to call a district judge, district.
```

```
47
 1
              MR. KASPRZAK: Ah.
 2
              THE COURT: Or an appellate judge --
 3
              MR. WINCHESETER: Appellate.
 4
              MR. KASPRZAK: Appellate.
 5
              THE COURT: -- appellate.
              MR. WINCHESTER: Or circuit.
 6
 7
              THE COURT: Right? Or circuit. Hi, circuit.
              MR. WINCHESTER: Yeah.
 8
 9
              MR. KASPRZAK: Wow.
              THE COURT: It just -- it's -- they're all just
10
11
    judge.
12
              And so we have one that -- that reminds people of
13
    that in writing.
14
              MR. KASPRZAK: We'll try not to be the recipient of
15
    any of those letters.
16
              THE COURT: All right.
17
              MR. KASPRZAK: Thank you.
18
              MR. WINCHESTER: So on that, your Honor, I'll just
19
    tell you right now, we -- we will mediate. We will inform you
20
    next week.
21
              THE COURT: Yes.
22
              MR. WINCHESTER: Our client is willing to mediate.
23
              THE COURT: Okay. Okay.
24
              MR. KASPRZAK: Yeah.
25
              MR. WINCHESTER: Yeah. I know he's the guy, you
```

```
48
 1
    know, he needs to talk to Mr. Cassels.
              THE COURT:
                          That's fine.
 3
              MR. KASPRZAK: Well, again, I just don't want you to
    try to call in a favor and get it set up and then --
 4
 5
              THE COURT:
                          No. No. I'm not doing it until you tell
 6
    me.
 7
              MR. KASPRZAK: -- me -- we -- me trying to get -- try
    to get out of it for some reason.
 8
 9
              THE COURT: Okay. Any -- anything -- anything else?
10
              And I am just going to put in this minute entry order
    the Motion for Temporary Restraining order, this is for you,
11
12
    Jason, is denied because the Plaintiff, at this stage of the
13
    case, has not shown an irreparable injury.
14
              The Court will reconsider the question at a --
15
              MR. KASPRZAK: At the preliminary injunction hearing.
16
              THE COURT: -- injunction.
17
              Fair? I mean --
18
              MR. WINCHESTER Good.
19
              THE COURT: I -- I just -- I don't want to have to
20
    write a law review article on this.
21
              MR. KASPRZAK: Sure.
22
              THE COURT: I'll write something later, but --
23
              MR. WINCHESTER: Right.
24
              THE COURT: -- the rule does require me to write
25
    something.
```

```
49
1
               Anything else?
 2
              MR. WINCHESTER: That's it, your Honor.
 3
               THE COURT: Okay.
              MR. KASPRZAK: Thanks for your all time today, your
 4
 5
    Honor.
               THE COURT: You -- you got it.
 6
 7
              MR. KASPRZAK: Appreciate it.
 8
               MR. WINCHESTER: Thank you.
 9
               THE COURT: Any questions? We're off the record.
          (This proceeding was adjourned at 03:18 p.m.)
10
11
12
13
14
                              CERTIFICATION
15
               I certify that the foregoing is a correct transcript
16
    from the electronic sound recording of the proceedings in the
17
18
    above-entitled matter.
19
20
         /s/Cheryl L. Battaglia
                                        May 9, 2023
21
               Transcriber
                                              Date
    4:23-CV-0491
22
23
    04/13/23 - 05/09/23
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